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August 4, 2006

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: CC Docket No. 02-06
Comments On Eligible Services List for Universal Service
Mechanism for Schools and Libraries

Dear Ms. Dortch:

On July 21, 2006, the Federal Communications Commission ("FCC") released a Public Notice (FCC 06-109) establishing the comment period on the eligible services list for universal services mechanism for schools and libraries ("E-rate program").

Northeast Communications of Wisconsin d/b/a Nsight Telservices ("Nsight") provides wireline service in parts of rural Wisconsin and Michigan. In addition to traditional wireline and wireless service, Nsight offers next generation Voice Over Internet Protocol ("VOIP") services, including IP Centrex service, to consumers and businesses, as well as schools and libraries.

Nsight recognizes that VoIP is listed as an ineligible service pending FCC action in a proceeding. The crux of this proceeding, which has been pending since 2004, is deciding whether or not certain IP-enabled services are telecommunications services. The resulting delay, however, continues to contradict the access to "advanced services" referenced in the 1996 Act. Thus, VoIP service should be eligible for E-rate discounts.

VoIP service, including IP Centrex and central office hosted VoIP products, are clearly "integral, immediate and proximate" to education for students and library services to the general public. Further, it is well recognized that many school technology leaders have become interested in building networks for VoIP. While the E-rate program can provide discounts on equipment that supports VoIP, if a school or library is poor enough, discounts

are currently not available on the cost of VoIP services themselves pending the outcome of the separate FCC proceeding.

Interestingly, even though a VoIP provider can provide all of the services that a universal service fund (“USF”) supported carrier can, it will now be paying into the USF without receiving any payments from the USF-supported programs. Nonetheless, VoIP providers face more common carrier-like regulatory burdens each year (CALEA, E911, and now USF), without the ability to be designated an “eligible telecommunications carrier” entitled to USF subsidies.

At the very least, Nsight concludes that the FCC should deem “interconnected VoIP” services as an eligible telecommunications service, which is defined as any VoIP service offering that is “capable” of making or receiving two-way calls over the public telephone network, whether the customer actually does so or not. The FCC currently has the authority to make VoIP eligible for E-rate discounts without further determining its regulatory status.

Very truly yours,

A handwritten signature in black ink, appearing to read "Larry Lueck". The signature is fluid and cursive, with the first name "Larry" and last name "Lueck" clearly distinguishable.

Larry Lueck
Manager of Government Relations
Nsight Telservices